

Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort His Excellency, Eduardo Frei, the President of the Republic of Chile, into the Chamber:

The gentleman from Texas [Mr. ARMEY];

The gentleman from Texas [Mr. DELAY];

The gentleman from Ohio [Mr. BOEHNER];

The gentleman from California [Mr. COX];

The gentleman from New York [Mr. GILMAN];

The gentleman from California [Mr. GALLEGLY];

The gentleman from Missouri [Mr. GEPHARDT];

The gentleman from Michigan [Mr. BONIOR];

The gentlewoman from Connecticut [Mrs. KENNELLY];

The gentleman from Maryland [Mr. HOYER];

The gentleman from Indiana [Mr. HAMILTON]; and

The gentleman from New Jersey [Mr. MENENDEZ].

The PRESIDENT pro tempore. The President pro tempore of the Senate, at the direction of that body, appoints the following Senators as a committee on the part of the Senate to escort His Excellency, Eduardo Frei, the President of the Republic of Chile, into the House Chamber:

The Senator from Oklahoma [Mr. NICKLES];

The Senator from Florida [Mr. MACK];

The Senator from Georgia [Mr. COVERDELL];

The Senator from Indiana [Mr. LUGAR];

The Senator from Connecticut [Mr. DODD];

The Senator from Iowa [Mr. HARKIN]; and

The Senator from Florida [Mr. GRAHAM].

The Assistant to the Sergeant at Arms announced the Vice Dean of the Diplomatic Corps.

The Vice Dean of the Diplomatic Corps, His Excellency Dr. Joseph Edsel Edmunds, Ambassador of Saint Lucia, entered the Hall of the House of Representatives and took the seat reserved for him.

At 10 o'clock and 5 minutes a.m., the Assistant to the Sergeant at Arms announced the President of the Republic of Chile, His Excellency, Eduardo Frei.

The President of the Republic of Chile, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great privilege and I deem it a high honor and personal pleasure to present to you His Excellency, Eduardo Frei, President of the Republic of Chile.

[Applause, the Members rising.]

# ADDRESS BY HIS EXCELLENCY, EDUARDO FREI, PRESIDENT OF THE REPUBLIC OF CHILE

(The following address was delivered in Spanish, with a simultaneous translation in English.)

President FREI. Mr. President, honorable Senators, honorable Members of the House of Representatives, officials of the United States Government, officials and members of my country's delegation:

I thank you for inviting me to speak here. It is an honor for me and for the people of Chile to address you in this Chamber which has stood for more than 200 years as an uninterrupted symbol of freedom.

I am deeply moved, not only because this House served as forum for Thomas Jefferson, James Madison and Abraham Lincoln, but also because it recognized the independence of Chile in the year 1810. It also gave strong support to the people of Chile in their struggle to restore democracy when it had been crushed, and to demand the observance of human rights when they were violated.

Don Quixote de la Mancha, addressing his inseparable companion, declared: "Freedom, Sancho, is one of the most precious gifts heaven bestows on man—all the treasure of the earth and of the oceans cannot equal it. For our freedom, as for our honor, we can and must risk our lives."

I am grateful for the example this Nation has given the world in its unwavering commitment to freedom. Few people know as you do the high and exacting price that must be paid to safeguard that precious value.

I want to share with you why we Chileans are ever more satisfied with the dividends of freedom, why we do not want to look back, why we wish to have a part in the new history, the history mankind is now beginning to write.

Chile is a small country with an unbreakable will to be. Our recent history shows that clearly.

Not long ago we seemed to be shattered by countless hatreds. But today we have built consensus and understanding. The strength of peace has triumphed over violence. We are seeking to understand and practice politics as the art of building and agreeing, not of destroying or paralyzing.

We have suffered setbacks, but today we consolidate our advances. Reconciliation among us has taken root because we have reclaimed our freedom to look to the future. We have known the generous pardon of those whose most sacred rights have been trampled. We have recognized our common heritage. We move forward knowing that today we enjoy the fruits of the energy and work of many generations of Chileans, not just those of any specific government.

In politics and in economics we have experienced extremes, rigidities and

dogmatism. Today we seek our own path to a development that is balanced, independent and creative. We do not believe in fixed models or miracles but in creativity and in the courage to make changes.

We have not attempted everything at once. We know that great initiatives have been defeated by asking for too much too soon. We want sustained, legitimate progress, even if the pace is slow. We know there is much to be done to make our democracy strong and resilient, but we want to move forward surely and safely.

We have learned to be patient. Chile does not begin anew with each election. Rather, we build on our creativity and our work. We are well aware that we have a unique historic opportunity to achieve full development in a free market of political freedom. We value our achievements, but we give equal attention to the challenges ahead of us.

Neither have we sought an easy bonanza. Instead we have chosen sustained growth. We have not promoted ephemeral advances but those based on the work and real effort of the people of Chile. We have not relied on miracles, but, rather, in hard, unflagging work.

Today we have a stable economy that benefits the people: 14 years of sustained growth at a rate that has averaged 7 percent annually over the last decade; a rise in real annual wages of over 4 percent; our per capita income doubled in a decade; savings rates close to 25 percent; 5 consecutive years of fiscal surplus. We hold international reserves sufficient to sustain a year of imports of goods and services. Productivity has grown almost 5 percent annually in the last 6 years. Our unemployment rate is close to 6 percent.

We have resisted the temptation of easy promises. Our message has been frank and society has responded with discipline. Even while many of society's pressing needs remain unsatisfied, the conduct of our people has been exemplary.

We seek today to resolve the age-old dilemmas of the State and the market, the private and public sectors. Both seek to be more effective and to offer services of higher quality in their respective capacities.

Our people want no more paternalism. They are ready to forge their own destiny. They want the tools for progress. That is why my government has assigned education its highest priority. We want all elementary and high schools to have a full school day. We are devoting greater resources to develop a high quality teaching corps and modern educational institutions so that every region of the country can have centers of excellence in public education. We want total investment in education to grow from 4.5 percent of GNP to 7 percent within a period of no more than 8 years.

The State is also making a direct effort to help the poorest, earmarking 70 percent of government expenditures for

social spending. One million six hundred thousand Chileans, or 11 percent of the population, men of flesh and blood, have moved out of poverty over the past 6 years.

We are undertaking a profound modernization of the management of public services to increase the quality and coverage of services to the people. We are carrying out the most far-reaching reform in this century of the administration of justice to make it more accessible, flexible and equitable.

In the health field there are two systems, one public, the other private. We have created a system of private health care with standards comparable to those of the most developed countries. Some 30 percent of our population participates in that system. More Chileans will join that as the country continues to grow. At the same time we are working on a complete overhaul of our public health system. We are making it more efficient, broadening coverage and improving quality. We have undertaken a massive investment in health infrastructure and introduced reforms in management methods and decision making, improving the quality of care. International health care indexes show that we are on the right track.

In the area of social security we have established a system, and I know that this is a principal concern to many Members of this Congress, that has grown strongly over time. In the early 1980's Chile replaced its pay-as-you-go system with a private plan based on individual contributions. Pension funds are administered by private institutions chosen by individual workers on the basis of their profitability and the security they provide for individual savings. The amount deposited today equals 40 percent of GNP and is diversified in the broad investment portfolio. Profits have averaged 12.2 percent annually since its inception.

To modernize our productive infrastructure we are opening up the way to private investment in the construction of highways and modernization of railroads, airports and ports. We work together in those areas so that our infrastructure can match our growth and extensions of our economic frontiers.

Any objective, impartial observer must recognize the energy and dynamism that runs through Chile. People of Chile have left despair behind. We are worked hard for our progress and to solve our problems and broaden our horizons.

With peace at home we can take a new look at the world. To this Congress, I bring the voice of a people who want to participate in mankind's new hopes.

We have suffered the great dilemmas of mankind. For decades we have paid with our own flesh for the polarization of the cold war. We are aware that we have left the culture of conflict and division behind. A new world based on cooperation and freedom lies within our grasp. Chile wishes to leave behind its traditional isolation. We are a small

country at the southern edge of the world that seeks to participate actively in this new era opening up to mankind.

The struggle for human dignity in this century has had millions of anonymous heroes and victims. We do not want this universal suffering to have been in vain. Perseverance in the promotion of democracy and human rights throughout the world is the most fitting tribute we can give those who suffered totalitarian barbarity and genocide.

Chile will persevere in that path. Last year it promoted a wide-ranging debate on democratic governance that culminated in the Declaration of Vina del Mar, signed by presidents and heads of state of Ibero-America. That undoubtedly constitutes a landmark in the increasing efforts to consolidate democracy throughout Latin America and the Caribbean. Chile wants the torch of liberty to shine in every corner of the globe.

We are actively committed to world peace. That was our objective when we were elected to temporarily chair in the United Nations. That was our role as guarantor in the conflict between Peru and Ecuador, and that is why we participate actively in United Nations peace operations. Today we are in the Middle East, Iraq and Kashmir. We will soon be sending police forces to Bosnia.

We also encourage peace through mutual confidence-building measures and by signing international agreements to prohibit chemical, biological and mass destruction weapons, as well as to prohibit nuclear testing and to create denuclearized zones. Chile wants peace to be proclaimed decisively on the threshold of the coming century.

The promises of peace, liberty and cooperation of this new era must be ensured. Today neither Hitler nor Stalin threaten us. A threat comes from the drug traffickers who sap the energies of our youth and enrich themselves by poisoning our people. We are threatened, too, by terrorism that acts in the dark, without compassion, without reason, against the innocent, acting in the name of politics, religion or race, leaving frequently a wake of impotent grief around the world.

In our country and beyond we have engaged in the decided battle against those scourges. Therefore, in compliance with our own legislation, we are establishing procedures for judicial and police cooperation and coordination in addition to broadening bilateral and multilateral conventions on this subject. Chile wants to cooperate actively to make our world a safe place.

We believe also that the democracy is illuminated when honesty and transparency characterize public office and political activity. Those displaced by democracy hope corruption will weaken faith in democracy. Let us not allow economic power to buy political power or the latter to establish questionable relationships with economic power. We are alert to the need to safeguard the

longstanding and honorable tradition of honest public service in our country, especially in a time of economic growth. We are updating our national legislation and have participated actively in measures our region is developing, such as the Inter-American Convention on Corruption and others. Chile wants clear and transparent politics and business.

We step into the new century with the knowledge that the universal habitat of humanity is fragile. When forests disappear, the destiny of nature and our own are one and the same. We have an inescapable responsibility. Future generations have a right to material progress, but they have a right also to a healthy environment. Chile is taking appropriate measures. We have renewed and updated our legislation so that all planned production is subject to environment standards. We have launched a massive plan to clean up urban pollution and to set aside almost 19 percent of our territory as state-protected forest. Chile is going to cooperate responsibly in caring for our planet.

We have a commitment to free trade. These are not mere words. It is entirely consistent with our development strategy and opening our economy in the generation and exploitation of new competitive advantages and in our entry into numerous new markets.

Twenty years ago Chile exported to 50 countries. Today it is 152. Where before we had 200 exporters, now we have 6,000. Before we exported 500 products. Today, 4,000. Seventy percent of our GDP is linked to foreign trade.

We have diversified that trade. Of our total trade, Asia, including Japan, represents 24 percent; North America, 22 percent; Latin America, 23 percent; and Western Europe the remainder.

Our Congress voted unanimously in favor of the Uruguay Round agreement of the GATT and for joining the World Trade Organization. With that political mandate, we have developed our policy of open regionalism, including nearly 30 bilateral agreements for economic cooperation. With most of the countries in Latin America and the regional bloc we have signed free trade agreements. Negotiations to establish a free trade agreement with Mercosur, were successfully concluded in June, 1996. Today that regional bloc is the third largest economic bloc in the world and the one that offers the best prospects for growth. Chile has also seen a significant increase in Chilean foreign investment. In 1996 alone, Chile invested over \$6.3 billion abroad in our neighboring countries.

In April of 1996 we concluded a new economic framework agreement with the European Union, signed in Florence at the European summit of heads of state in Florence. Another important milestone in our economic progress was our joining APEC, the Asia Pacific Economic Cooperation forum in late 1994. We have signed a free trade agreement with Canada based on the NAFTA

rules in November 1996. Next month we will open conversations with Mexico to review the free trade agreement currently in effect.

When we speak of free trade, we speak from experience and with ideas and practice. We speak from a country that changes daily, and it is becoming a platform for trade, a gateway to Latin America, where a significant trade flow is just beginning.

In that context our trade negotiations with the United States are of great interest to us, and we believe that they should advance to higher levels. As an individual country the United States has some 20 percent of our foreign trade, is our principle trading partner. In the last 2 years alone that trade has grown by over 50 percent. The United States enjoys a favorable trade balance of \$1.5 billion with Chile.

Investors are our chief foreign partners, with 45 percent of total foreign investment in Chile. We are particularly proud of the joint enterprises undertaken by American and Chilean firms in our country as well as in other Latin American countries, and even in the United States itself.

Because of this promise and relationship we accepted with enthusiasm the invitation in December 1994, at the conclusion of the Miami summit, the invitation from three NAFTA partners. Before this Congress, let me reaffirm our interest in those negotiations. We consider complete trade liberalization between Chile and the United States a natural step as well as an encouraging signal in the task of achieving free trade in the Americas, a process in which both our countries are engaged.

In recent years we have witnessed a unique historical process. An unprecedented number of countries sought to establish democratic regimes and economic integration with free trade as the common denominator.

Chile embraces this course and works to promote it actively. We hope it will not be as difficult to initiate free trade talks as it was so often to initiate peace talks during this century. Delays today could mean the weakening of many democracies, resurgence of closed markets and the consolidation of hunger and migrations in many corners of the world.

Honorable Members of Congress, my presence here symbolizes a new era in friendship with the people of the United States. We wish to leave fears and distrust behind. We know that we live in a precious time, an opportunity we must not squander, a time between two historical processes. We are neither an economic nor military power, but we want to be a part of the history that is unfolding. Allies in the solution of the most pressing problems that confront us all, partners in furthering freedoms, brothers in the promotion of peace and democracy.

We do not wish simply to move from a world of ideological confrontation to one of economic competition. We do not want a soulless world. We must be

sure that the new history we write together is one of cooperation, creativity, change for the good. We know that globalization is not guided by compassion or solidarity. We know it has two faces, one desirable and the other is not. It is our responsibility and our task to make it right, to make it just, and not to blame it for our ills.

Economic and political change is never easy. The temptation of short-term profit can turn significant numbers of businesses and workers into enemies of the future. Some politicians and voters resist any change that crosses their interests. However, we know that change is not possible without new actors emerging, without a new distribution of political and economic power. It is for that reason that we aspire to strong democracies and economies with opportunities for everyone.

In March next year, our country will hold the Second Summit of the Americas. Before long, the population of the Americas will exceed 1 billion. Our combined revenues will be more than \$13 trillion. Let us turn the page on our fears, our wars, and our distrust. Let us leave the days of threats and sanctions behind us. Frank and open dialogue is the instrument of international democracy. The principles and values we share must be our only parameters.

It is crucial for us to write a new page in the history of the Americas. It is a page of confidence in the future, a page of mutual understanding, a page of free trade, a page free of hunger, a page of democracy, a page from Bolivar and Jefferson.

In concluding, I wish to say that throughout our shared history, many, many Latin American presidents have come to this country. Traditionally, the success or failure of those missions has been measured in concrete assistance and contributions that each president has garnered from this country. With great ease, on behalf of my country, I wish to say to you today we have not come here to ask for anything. On the contrary, we come to extend to you an invitation to invite you to a shared undertaking.

Let us travel together down a path that includes, but is not the only, classic form of economic cooperation. Let us together build a vision of the future for this hemisphere, a political, social, scientific, cultural future based in our roots and our history.

Over the last few days I have heard with pride and gratification of the praise of the progress that Chile has made in recent years. It is true that we have come far. It is the truth of the work of generation upon generation of Chileans. But we know in our hearts that the principal obstacle and challenge to us must be to overcome extreme poverty, and there is no more valuable legacy that we can leave to future generations than to eradicate this ill that besets so many of the people of Latin America; to speak to those who have suffered from hunger of democracy have nothing.

Let me finally on this very privileged occasion share a personal thought with you. When my father held the same office that I hold today, so many of the United States and the Americas shared a great dream of the future. It was the Alliance for Progress. The world has changed dramatically since that time. What has not changed is the need to again have an American dream for the coming century. The dreams of individual nations may change in the details, but what is truly important is that you and we share the ethical and moral underpinnings of such a dream.

I have said repeatedly that Chile has an historic opportunity. Many times in our history we have stood at the threshold of development and we have squandered those opportunities as we did late in the last century. That is our responsibility today as political leaders, to move forward with the people of Chile, to make progress with our hemisphere, to make that dream a reality, to be capable of building in Latin America a solid democracy, overcoming poverty, opening our markets to the rest of the world.

If we have strength, courage, and political resolve, we can build that dream, we can achieve that dream, and that is the task before us, and I call upon the people in the United States and the Congress to work with us toward that dream. Thank you.

[Applause, the Members rising.]

At 10 o'clock and 40 minutes a.m., the President of the Republic of Chile, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Assistant to the Sergeant at Arms escorted the invited guests from the Chamber in the following order:

The Vice Dean of the Diplomatic Corps.

#### JOINT MEETING DISSOLVED

The SPEAKER. The purpose of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses now dissolved.

Accordingly, at 10 o'clock and 42 minutes a.m., the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

#### ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The House will continue in recess until the hour of 11:45 a.m.

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. BARRETT of Nebraska] at 11 o'clock and 45 minutes a.m.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.